

**2018: RCI BANK AND SERVICES POSTS ITS BEST PERFORMANCE EVER WITH NEW FINANCINGS OF €20.9 BILLION AND PRE-TAX INCOME OF €1,215 MILLION**

- **1,798,900 new financing contracts, up 1.6% from 2017 for a total of €20.9 billion in new financings**
- **Record penetration rate<sup>[1]</sup> of 42.9% of registrations**
- **355,274 new financing contracts for used vehicles, up 11.1% from 2017**
- **Average performing assets (APA)<sup>[2]</sup> of €44.4 billion, up 12.0% from 2017**
- **Net banking income of €1.93 billion, up 18.6% from 2017**
- **Operating costs / APA ratio up 5 basis points compared to 2017, or 1.27% of APA**
- **Cost of risk<sup>[3]</sup> at 0.33% of APA compared with 0.11% in 2017, owing to the switch to IFRS9**
- **Group pre-tax income of €1.215 billion, up 12.8% from 2017**

“RCI Bank and Services realized a record year thanks to a substantial improvement in sales and financial performance, reflected in a net income of €1,215 million, up 12.8% versus last year. The company also invested in enhancing and digitalizing the experience of its customers, while maintaining a high level of profitability, with a ROE<sup>[4]</sup> of 19.2%,” said **Clotilde Delbos, Chairman of RCI Bank and Services**.

“Thanks to a successful integration into the strategies of the Alliance brands, 2018 registered another exceptional sales year for RCI Bank and Services, which achieved a penetration rate of over 42%. With 1.4 services per registration and more than 350,000 new financing contracts for used vehicles, RCI Bank and Services has confirmed the diversification of its business activities. I would like to thank all the group’s employees for these excellent results,” said **Bruno Kintzinger, Chief Executive Officer of RCI Bank and Services**.

# ANOTHER YEAR WITH A RECORD-BREAKING PERFORMANCE

In an automotive market that grew 1.2% in the operating scope of the subsidiaries of RCI Bank and Services<sup>[5]</sup>, Alliance brand registrations<sup>[6]</sup> came to 3.5 million units in 2018, compared with 3.7 million in 2017. In this context, RCI Bank and Services took advantage of its strong integration into the sales policies of each brand, achieving an overall record penetration rate (excluding EAC) of 42.9% versus 42.6% in 2017.

The volume of new financing contracts for new vehicles remained at a high level, amounting to 1,443,627 new contracts in 2018 compared with 1,451,286 in 2017. Financing for used vehicles continued its sharp upward trend for a record volume of 355,274 contracts in 2018, up 11.1% compared to 2017. This growth can be attributed to the development of the range of specific used vehicle services and to the digitalization of the customer experience, with the launch of online pre-approval in Germany and Turkey.

In light of these elements, the total volume of new financing contracts rose 1.6% from 1,771,000 contracts in 2017 to 1,798,900 in 2018. New financing contracts thus rose to a record amount of €20.9 billion in 2018, up 1.5% on 2017.

As a pillar of the group's strategy, the Services activity continued to grow strongly in 2018. The volume of services sold came to 4.8 million contracts, up 11.1% from 2017. RCI Bank and Services sold 1.4 services per vehicle registered by the Alliance brands in its operating scope.

RCI Bank and Services pursued the international roll-out of its business activities in 2018 to support the sales of the Alliance brands. The dealers financing business has now been fully rolled out for the Nissan brand in Argentina. Launched in Russia in February 2018, the financing of the new vehicle stocks for Lada brand dealers already benefited one-third of the network at end-December.

## RCI BANK AND SERVICES ACHIEVES ITS BEST EVER FINANCIAL PERFORMANCE

Average performing assets stood at €44.4 billion, up 12% compared to 2017. Of that amount, €34 billion is directly linked to customer activity, which rose 13.6%.

Net banking income came to €1.93 billion, up 18.6% compared to 2017. This growth resulted from a combined increase in financing activities (APA up 12.0%) and services activities (up 16.8% on 2017). Net banking income as a percentage of APA stands at 4.34% (compared with 4.11% in 2017).

The cost of risk, calculated consistent with IFRS 9 which applies for the first time, came to 0.33% of APA, compared with a historically low level of 0.11% at end-2017, confirming a robust underwriting and collection policy. Since the switch to IFRS 9, the cost of risk includes an allocation to provisions for performing loans outstanding and off-balance sheet commitments. Implementation of this standard in 2018 has led to an increase in the cost of risk due to portfolio growth.

At December end 2018, operating costs stood at €563 million, or 1.27% of APA, improving 5 basis point versus 2017. The operating ratio was under 30% for the first time standing at 29.2%. This demonstrates RCI Bank and Services ability to manage its operating costs while carrying out strategic projects and growing its business activity.

Pre-tax income amounted to €1,215 million. Its substantial growth (up 12.8% from 2017) illustrates RCI Bank and Services' capacity to continue its profitable growth trend.

## THE GROUP CONTINUES TO DIVERSIFY ITS REFINANCING POLICY

RCI Bank and Services confirmed its ability to access varied funding sources. In 2018, the group issued the equivalent of €2.9 billion in public bonds and extended its debt maturity by making an eight-year issue for the second time. It made four euro-denominated issues, alternating fixed and variable coupons, along with an issue in Swiss francs. It also made three private issues for a total of €600 million.

Additionally, RCI Bank and Services completed a public securitization operation in France backed by car loans for a total of €722.8 million.

This combination of maturities, types of coupon and issue formats is part of the strategy to diversify funding sources implemented by the group for a number of years and serves to reach out to as many investors as possible.

Outside Europe, group entities in Brazil, South Korea, Morocco and Argentina, as well as Colombia for the first time, also tapped their domestic capital markets.

The savings activity increased €0.9 billion year on year to €15.9 billion at December 31, 2018. The total represents 34% of RCI Bank and Services' net assets at the end of December, consistent with the company's objective.

## RCI BANK AND SERVICES FACILITATES AUTOMOBILITY FOR EVERY ALLIANCE BRAND CUSTOMER

Facilitating automobility consists in bringing Alliance brand customers a customized response to their automotive mobility needs, including both financing solutions and mobility solutions, so as to respond to their new usages.

RCI Bank and Services has therefore developed online vehicle sales. In Brazil, 20% of the Renault KWID models sold in 2018 were booked online using RCI e-payment, the payment solution implemented by RCI Bank and Services. Dacia customers in the United Kingdom have been able to finance and pay off the model of their choice entirely online since November 2018 via the Dacia Buy Online website. It is the first time that a fully digitalized customer experience has been proposed in the British market.

In order to have a deeper understanding of the corporate customers' expectations, Groupe Renault and RCI Bank and Services founded Renault Fleet International. By setting up telematics and data analysis services, they now have a reporting and management system on their fleet dispatch in France and Italy that updates in real time. This service is going to be extended to new countries in the coming year.

RCI Bank and Services continued to develop its mobility service offer in 2018. In June, the group took the control of iCabbi, a dispatch management<sup>[7]</sup> company for taxi and ride-hailing-service fleets, by purchasing 75% of the shares. iCabbi technology is used by 72,000 taxis and ride-hailing vehicles. In September, Marcel, a subsidiary of RCI Bank and Services, launched e.co in Paris, the first range of 100% electric, affordable and eco-friendly chauffeur-driven vehicles, with a fleet of 150 ZOÉ, which already accounted for nearly 20% of Marcel rides at end-December 2018.

## 2019 OUTLOOK

With the world automotive market expected to be stable in 2019<sup>[8]</sup>, RCI Bank and Services aims to maintain a strong performance level at the service of the Alliance brands.

The company will continue to develop financing and services solutions to facilitate automobility access for everyone. To meet the expectations and earn the loyalty of customers, RCI Bank and Services will be stepping up the digitalization of the customer journey, notably in terms of online sales. The growing digitalization of the company's business activities is aimed not just at boosting efficiency but also at establishing RCI Bank and Services as a choice of simplicity and a source of perceived quality for its network and final customers.

In-line with its funding diversification strategy, RCI Bank and Services will launch its deposit collection business line in Brazil in the first half of 2019. The deposits collected will help finance car loans approved for customers and dealerships of the Alliance brands and will be used to support their growth in the Brazilian market.

<sup>[1]</sup> Overall penetration rate excluding companies accounted for under the equity method: Russia, Turkey and India.

<sup>[2]</sup> Average performing assets (APA) correspond to average loans outstanding plus assets relating to operational leasing activities. For customers, APA corresponds to average performing assets at end. For the network, APA corresponds to daily average performing assets.

<sup>[3]</sup> Calculated from now on according to the IFRS 9 standard.

<sup>[4]</sup> Return On Equity.

<sup>[5]</sup> RCI Bank and Services operates in 36 countries.

<sup>[6]</sup> Alliance registrations in the scope of RCI Bank and Services in 2017, in thousands of units.

<sup>[7]</sup> An automated, Cloud-based fleet management solution.

<sup>[8]</sup> Excluding "hard Brexit"

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### About RCI Banque S.A. :

Created and wholly owned by Groupe Renault, RCI Banque S.A. is a French bank specializing in automotive financing and services for the customers and dealership networks of Groupe Renault (Renault, Dacia, Alpine, Renault Samsung Motors and Lada) worldwide, the Nissan Group (Nissan, Infiniti and Datsun) mainly in Europe, Brazil, Argentina and South Korea and through joint ventures in Russia and India, and Mitsubishi Motors in the Netherlands. RCI Bank and Services has been the new commercial identity of RCI Banque S.A. since February 2016. With over 3,500 employees in 36 countries, RCI Bank and Services financed over 1.8 million contracts (for new and used vehicles) in 2018 and sold more than 4.8 million services.

At end-December 2018, average performing assets stood at €44.4 billion of financing and pre-tax income at €1,215 million. RCI Bank and Services has rolled out a deposits collection business in four countries since 2012. At end-December 2018, net collected deposits totaled €15.9 billion, or 34% of the company's assets.

Find out more about RCI Bank and Services: [www.rcibs.com](http://www.rcibs.com)

Follow us on Twitter: [@RCIBS](https://twitter.com/RCIBS)

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